

(PRE-FILED)

By: ~~Delegate D. Davis~~ Delegates D. Davis, Burns, Moe, Vaughn, Taylor, Love, Conroy, Doory, Krysiak, Kirk, McHale, and Harrison

Requested: July 14, 2005

Introduced and read first time: January 11, 2006

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2006

CHAPTER _____

1 AN ACT concerning

2 **Labor and Employment - Minimum Wage - ~~Increase~~ Application**

3 FOR the purpose of ~~requiring certain employers to pay certain employees at least the~~
 4 ~~greater of certain wage amounts; authorizing an increase in a certain tip credit~~
 5 ~~used by certain employers to compensate certain employees; defining the term~~
 6 "employer" to include certain State and local governmental units for purposes of
 7 certain minimum wage requirements; and generally relating to the ~~payment of~~
 8 wages application of State minimum wage requirements to governmental units.

9 BY repealing and reenacting, without amendments,
 10 Article - Labor and Employment
 11 Section 1-101(a), (b), and (c)
 12 Annotated Code of Maryland
 13 (1999 Replacement Volume and 2005 Supplement)

14 BY repealing and reenacting, with amendments,
 15 Article - Labor and Employment
 16 Section 3-413 ~~and 3-419~~
 17 Annotated Code of Maryland
 18 (1999 Replacement Volume and 2005 Supplement)
 19 (As enacted by Chapter 2 of the Acts of the General Assembly of 2006)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 21 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Labor and Employment

2 1-101.

3 (a) In this article the following words have the meanings indicated.

4 (b) "County" means a county of the State and, unless expressly provided
5 otherwise, Baltimore City.

6 (c) "Governmental unit" means:

7 (1) the State;

8 (2) a county, municipal corporation, or other political subdivision of the
9 State; or

10 (3) a unit of the State government or of a political subdivision.

11 3-413.

12 (A) IN THIS SECTION, "EMPLOYER" INCLUDES A GOVERNMENTAL UNIT.

13 (B) Except as provided in § 3-414 of this subtitle, each employer shall pay:

14 (1) to each employee who is subject to both the federal Act and this
15 subtitle, at least ~~THE GREATER OF~~ the greater of:16 ~~(i)~~ (i) the minimum wage for that employee under the federal Act; ~~OR~~17 ~~(ii)~~ ~~A WAGE THAT EQUALS A RATE OF \$6.15 PER HOUR~~ or18 (ii) a wage that equals a rate of \$6.15 per hour; and

19 (2) each other employee who is subject to this subtitle, at least:

20 ~~(i)~~ ~~THE GREATER OF:~~21 (i) the greater of;

22 [(i)] 1. the highest minimum wage under the federal Act; or

23 2. ~~A WAGE THAT EQUALS A RATE OF \$6.15 PER HOUR; OR a~~
24 wage that equals a rate of \$6.15 per hour; or25 (ii) a training wage under regulations that the Commissioner
26 adopts that include the conditions and limitations authorized under the federal Fair
27 Labor Standards Amendments of 1989.28 ~~3-419.~~29 (a) ~~(1) This section applies to each employee who:~~

1 (i) is engaged in an occupation in which the employee customarily
2 and regularly receives more than \$30 each month in tips;

3 (ii) has been informed by the employer about the provisions of this
4 section; and

5 (iii) has kept all of the tips that the employee received.

6 (2) Notwithstanding paragraph (1)(iii) of this subsection, this section
7 does not prohibit the pooling of tips.

8 (b) Subject to the limitations in this section, an employer may include, as part
9 of the wage of an employee to whom this section applies:

10 (1) an amount that the employer sets to represent the tips of the
11 employee; or

12 (2) if the employee or representative of the employee satisfies the
13 Commissioner that the employee received a lesser amount in tips, the lesser amount.

14 (c) The tip credit amount that the employer may include under subsection (b)
15 of this section may not exceed ~~[\$2.77] 50% OF THE MINIMUM WAGE ESTABLISHED~~
16 ~~UNDER § 3-413 OF THIS SUBTITLE FOR THE EMPLOYEE.~~

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2006.